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Panama

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July 2, 1954

OFFICIAL - INFORMAL
SECRET

Dear Ambassador Chapin:

Thank you very much for your letter of June 25, 1954, regarding the Central American situation and your idea regarding a combat division for Panama.

As you will note from the press coverage, the Guatemalan situation is going along as well as might be expected. We are watching the situation closely.

The suggestion of stationing a full combat division in the Canal Zone would seem to have considerable merit. It would be a force readily available if its services were required in the area, an opportunity would be afforded for training in jungle warfare (a field in which U.S. forces have not heretofore been as proficient as might have been desired) and our relations with Panama should be benefited as the result of the economic shot in the arm the expenditures of the personnel of the division would give Panama. Presumably the division to be selected for this duty would be one already in being in the United States. The cost of stationing it in the Zone would probably not be appreciably higher than the cost of maintaining it in the United States so that it would not seem that this suggestion would result in substantial extra cost to the Government. There would, however, seem to be a matter of timing involved. If these additional troops were to be stationed in the Zone, their transfer to the Zone should be deferred until quiet shall have been restored to Central America in order to avoid giving rise to unwarranted inferences as to the reasons and motives underlying that action.

We will pursue the matter from this end and would appreciate any further comments you may have.

I wish

The Honorable
Selden Chapin,
American Ambassador,
Panama.

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I wish to thank you for your good work regarding the proposed OAS meeting and the resolution.

Sincerely yours,

Henry F. Holland

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